

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 6/30/2004

	As of <u>6-30-04</u>	As of <u>6-30-03</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 538,958,281	\$ 458,951,314
INTERNATIONAL EQUITIES	201,367,849	175,792,012
DOMESTIC FIXED INCOME	362,030,777	320,236,369
INTERNATIONAL FIXED INCOME	61,303,144	54,020,181
REAL ESTATE	61,430,839	57,665,884
VENTURE CAPITAL	58,823,345	51,068,456
INVESTED CASH (NOTE 1)	<u>19,060,884</u>	<u>7,558,895</u>
 TOTAL INVESTMENTS	 1,302,975,119	 1,125,293,111
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	2,746,253	1,523,646
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	99,074,494	66,940,289
DUE FROM OTHER AGENCIES (NOTE 3)	<u>0</u>	<u>0</u>
 TOTAL ASSETS	 <u>\$ 1,404,795,866</u>	 <u>\$ 1,193,757,046</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	977,699	711,763
SECURITIES LENDING COLLATERAL (NOTE 2)	99,074,494	66,940,289
DUE TO OTHER AGENCIES (NOTE 4)	<u>4,717</u>	<u>9,661</u>
 TOTAL LIABILITIES	 100,056,910	 67,661,713
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,126,095,333	1,080,040,861
CASH IN DURING YEAR (NOTE 5)	3,789,350	0
CASH OUT DURING YEAR (NOTE 6)	11,890,000	9,750,000
NET INCREASE (DECREASE)	<u>186,744,273</u>	<u>55,804,472</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,304,738,956</u>	 <u>1,126,095,333</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,404,795,866</u>	 <u>\$ 1,193,757,046</u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Profit and Loss Statement For the Month Ended 6/30/2004

	Month Ended <u>6-30-04</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,700,391	\$ 35,213,582
SECURITIES LENDING INCOME	98,172	934,005
	<u>2,798,563</u>	<u>36,147,587</u>
 GAIN ON SALE OF INVESTMENTS	 9,249,515	 160,863,079
LOSS ON SALE OF INVESTMENTS	<u>8,276,409</u>	<u>107,042,656</u>
 NET GAINS (LOSSES) INVESTMENTS	 973,106	 53,820,423
 INVESTMENT EXPENSES	 500,988	 3,913,847
SECURITIES LENDING EXPENSES	69,216	715,711
SIB ADMINISTRATIVE EXPENSES	<u>15,716</u>	<u>130,056</u>
 NET INVESTMENT INCOME	 3,185,749	 85,208,396
 NET APPREC (DEPREC) MARKET VALUE	 16,330,961	 102,469,106
MISCELLANEOUS INCOME/(EXPENSE)	<u>(247,229)</u>	<u>(933,229)</u>
 TOTAL INVESTMENT INCOME	 <u>19,269,481</u>	 <u>186,744,273</u>
 NET INCREASE (DECREASE)	 <u>\$ 19,269,481</u>	 <u>\$ 186,744,273</u>

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Notes To Financial Statements
June 30, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.